

14 Work

Key concepts and terms

- Financial flexibility
- Functional flexibility
- Numerical flexibility
- Work
- The flexible firm
- The lean organization
- Portfolio career

Learning outcomes

On completing this chapter you should be able to define these key concepts. You should also know about:

- The nature of work
- Feelings about work
- The future of work
- The essential components of work
- Organizational factors affecting work: the flexible firm and the lean firm

Introduction

The nature and meaning of work need to be taken into account when developing employment policies and practices. The aim of this chapter is to provide the basic information required to do this. This comprises the nature and significance of work for people, the factors that affect how work takes place within organizations, changes in the pattern of employment and the future of work.

The nature of work

Work is the exertion of effort and the application of knowledge and skills to achieve a purpose. Most people work to earn a living – to make money. But they also work because of the other satisfactions it brings, such as doing something worthwhile, a sense of achievement, prestige, recognition, the opportunity to use and develop abilities, the scope to exercise power, and companionship. Gallie *et al* (1994), quoting research conducted by the Social Change and Economic Life Initiative, found that 67 per cent of the people questioned worked for money but a surprisingly high proportion (27 per cent) said they worked for the intrinsic rewards money provides ('expressive reasons').

Within organizations, the nature of the work carried out by individuals and what they feel about it is governed by the employment relationship and the psychological contract, as considered in Chapters 15 and 16 respectively.

SOURCE REVIEW

Essential components of work, Thomas (1999)

- Work produces or achieves something (it is not an end in itself).
- Work involves a degree of obligation or necessity (it is a task set either by others or ourselves).
- Work involves effort and persistence (it is not wholly pleasurable, although there may be pleasurable elements in it).

The meaning of work

Research conducted by the Roffey Park Institute found that 70 per cent of employees were looking for ‘more meaning in the workplace’. As the authors of the report, Holbeche and Springett (2004) commented:

The search for meaning appears to be part of a fundamental human need to feel of value and to make a difference... People need and want to belong to communities in which they can make meaningful contributions. Work, for many people, provides a source of identity and a feeling of togetherness. It gives us a sense of our status in society.

As Noon and Blyton (2007) pointed out, work is regarded by many people as a central life activity – research has established that in terms of importance, respondents judged work to be second only to their family. They suggested that the significance of work arises through the work ethic, ie a feeling that it is morally necessary to work and seek paid employment rather than being idle.

Feelings about work

Research into employee motivation and the psychological contract by Guest *et al* (1996) and Guest and Conway (1997) obtained the following responses from the people they surveyed:

- work remains a central interest in the lives of most people;
- if they won the Lottery, 39 per cent would quit work and most of the others would continue working;
- asked to select the three most important things they look for in a job, 70 per cent of respondents cited pay, 62 per cent wanted interesting and varied work and only 22 per cent were looking for job security;
- 35 per cent claimed that they were putting in so much effort that they could not work any harder and a further 34 per cent claimed they were working very hard.

The 2004 Workplace Employee Relations Survey (WERS) covering 700,000 workplaces and 22.5 million employees established on how they felt at work. The results are summarized in Table 14.1.

Table 14.1 Feelings at work (WERS, 2004)

The job makes you feel:	All of the time %	Most of the time %	Some of the time %	Occasionally %	Never %
Tense	4	15	42	27	12
Calm	3	30	29	27	11
Relaxed	2	10	35	32	21
Worried	2	10	35	32	21
Uneasy	2	8	28	33	29
Content	5	33	30	22	11

This does not present an unduly gloomy picture. The percentage of people feeling either tense or calm some, more or all of the time was much the same. An equal number of people were never relaxed or worried and rather more were never uneasy; 69 per cent were content all, most or some of the time. The WERS survey also revealed that job-related well-being was higher in small organizations and workplaces than in large ones, higher among union members, falls with increased education and is U-shaped with regard to age (ie higher amongst younger and older employees than amongst the middle-aged).

An analysis by Brown *et al* (2008) of changes in job satisfaction between the 1998 and 2004 WERS surveys found significant increases in satisfaction with the sense of achievement from work together with improvements in perceptions of job security, the climate of employment relations and managerial responsiveness.

Commitment to work, Gallie and White (1993)

Stronger:

- the more qualifications a person has;
- the more successful they feel they have been in their career;
- the higher they value 'hard work';
- the more they feel they have personal control over their destiny;
- the higher their preference for their current job;
- the lower their preference for 'an easy life';
- the higher their attachment to their current organization.

Organizational factors affecting work

The nature of work alters as organizations change in response to new demands and environmental pressures. The notions of the flexible firm and the 'lean' organization are particularly significant.

The flexible firm

The flexible firm is one in which there is structural and operational flexibility. The concept originated in the work of Doeringer and Priore (1971) and Loveridge and Mok (1979) but was popularized by Atkinson (1984).

Structural flexibility is present when the core of permanent employees is supplemented by a peripheral group of part-time employees, employees on short- or fixed-term contracts or sub-contracted workers. The forms of operational flexibility are set out below.

Forms of operational flexibility

1. Functional flexibility, which is sought so that employees can be redeployed quickly and smoothly between activities and tasks. Functional flexibility may require multi-skilling – workers who possess and can apply a number of skills, for example, both mechanical and electrical engineering, or multitasking – workers who carry out a number of different tasks, for example in a work team.
2. Numerical flexibility, which is sought so that the number of employees can be quickly and easily increased or decreased in line with even short-term changes in the level of demand for labour.
3. Financial flexibility, which provides for pay levels to reflect the state of supply and demand in the external labour market and also means the use of flexible pay systems that facilitate either functional or numerical flexibility.

Atkinson (1984) suggested that the growth of the flexible firm has involved the break-up of the labour force into increasingly peripheral, and therefore numerically flexible, groups of workers clustered around a numerically stable core group that will conduct the organization's key, firm-specific activities. This is usually called the 'core-periphery' view of the firm.

At the core, the focus is on functional flexibility. Shifting to the periphery, numerical flexibility becomes more important. As the market grows, the periphery expands to take up slack; as growth slows, the periphery contracts. In the core, only tasks and responsibilities change; the workers here are insulated from medium-term fluctuations in the market and can therefore enjoy a measure of job security, whereas those in the periphery are exposed to them.

Several concerns about the concept of the flexible firm have been raised by Marchington and Wilkinson (1996). First, it tends to fuse together description, prediction and prescription into a self-fulfilling prophesy. Second, the evidence of a significant increase in 'flexible firms' and flexibility within firms is lacking. Third, it is not a recent phenomenon – the proportion of people working part-time has grown for decades. Fourth, there are doubts about the costs and benefits of flexibility – sub-contracted workers can be expensive and part-time workers may have higher levels of absenteeism and lack commitment.

The lean organization

The term 'lean production' was popularized by Womack and Jones (1970) in *The Machine that Changed the World*. But the drive for leaner methods of working was confined initially to the car industry, as in Toyota, one of the pioneers of lean production, or more loosely, 'world class manufacturing'.

Lean production aims to add value by minimizing waste in terms of materials, time, space and people. Production systems associated with leanness include just-in-time, supply chain management, material resources planning and zero defects/right first time.

The concept of 'leanness' has since been extended to non-manufacturing organizations. This can often be number-driven and is implemented by means of a reduction in headcounts (downsizing) and a reduction in the number of levels of management and supervision (delaying). But there is no standard model of what a lean organization looks like. According to research conducted by Kinnie *et al* (1996) firms select from a menu the methods that meet their business needs. These include, other than delayering or the negative approach of downsizing, positive steps such as team-based work organizations, cross-functional management and development teams, emphasis on horizontal business processes rather than vertical structures, and HRM policies aimed at high performance and commitment and including communication programmes and participation in decision making.

Changes in the pattern of employment

Changes in the pattern of employment include the shift to a service-sector economy, the increasing number of female and part-time employees, greater employment flexibility, the changing size and distribution of the public sector, growth in the numbers of knowledge workers, growth in self-employment and the changing age structure.

The following analysis of the pattern of employment was made by ESRC (2008):

- In the third quarter of 2006 there were 29 million people employed in the UK and 1.7 million unemployed.

- Financial and business services account for about one in five jobs in the UK compared with about one in eight in 1986.
- In 1986 more than one in four jobs held by men were in manufacturing. By 2006 this had fallen to less than one in seven.
- The number of people in the UK normally working over 45 hours per week generally rose from 1992/93 until it peaked in the autumn of 1997. Since then it has been steadily in decline: now only one in five workers puts in a 45-plus hour week.

Career expectations

It is often said that the days of the lifelong career are over, especially for white-collar workers, and that the job security they previously enjoyed no longer exists. The evidence from the ESRC (2000) survey showed that this was not the case. Job tenure has not fallen but has in fact increased on average from six years and two months to seven years and four months. For men there has been a small decrease but for women there has been a significant increase.

The future of work

Futurologists, as noted by Nolan and Wood (2003), have been busy forecasting what is going to happen to work. Charles Handy (1984) was one of the first. He offered the notions of 'portfolio workers' who frequently changed their careers, a new 'knowledge economy' and the collapse of work in traditional industries. The full employment society, he claimed, was becoming the part-employment society. 'Labour and manual skills were yielding to knowledge as the basis for new business and new work... Hierarchies and bureaucracies were being supported by emerging networks and partnership and the one-organization career was becoming rarer.'

Pessimists such as Bridges (1995) and Rifkin (1995) have argued that growing insecurity, widening social divisions and higher levels of unemployment are the inevitable consequences of structural change, new information and communication technologies. Alternatively, optimists such as Leadbeater (2000) have held out the prospect of a world with limitless possibilities for creative, cooperative and socially useful work. But as Nolan and Wood (2003) comment, the evidence on work and employment patterns in Britain (see above) confounds many of these claims: 'Complexity, unevenness and the enduring features in the structure and relations of employment are crowded out by visions of universal paradigm shifts.'

Work – key learning points

The nature of work

Most people work to earn a living. But they also work because of the other satisfactions it brings, such as doing something worthwhile, a sense of achievement, prestige, recognition, the opportunity to use and develop abilities, the scope to exercise power, and companionship.

The essential components of work

- Work produces or achieves something (it is not an end in itself).
- Work involves a degree of obligation or necessity (it is a task set either by others or ourselves).
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Feelings about work

Work remains a central interest in the lives of most people.

Organizational factors affecting work

The nature of work alters as organizations change in response to new demands and environmental pressures. The notions of the flexible firm and the 'lean' organization are particularly significant.

The future of work

Futorologists have predicted various fundamental changes, 'paradigm shifts', in the nature of work but as Nolan and Wood (2003) comment, 'complexity, unevenness and the enduring features in the structure and relations of employment are crowded out by visions of universal paradigm shifts'.

Questions

1. What are the main changes that have taken place in the pattern of employment in recent years? Explain how these changes have affected your organization.
2. Your operations director, who is in charge of a large distribution centre and an associated customer service department, has asked you to explain how flexible working may benefit his operations, taking into account that there are marked seasonal fluctuations in customer demand. Prepare a memorandum that sets out the different types of flexibility available and suggests which of these might be appropriate.
3. Your managing director has sent you the following e-mail: 'I have heard about lean production but are the concepts involved applicable in any way to a firm like ours, which is not involved in manufacturing?' Draft your reply.

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